

DELAWARE HEALTH FACILITIES AUTHORITY  
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), is scheduled to be held by the Delaware Health Facilities Authority (the "Authority") on Wednesday, April 23, 2014 at 12:00 p.m. local time at the offices of Potter Anderson & Corroon LLP, 1313 N. Market St., 6<sup>th</sup> Floor, Wilmington, Delaware 19801. The Public Hearing is being held in connection with the request by Beebe Medical Center, Inc. (the "Hospital") to the Authority to issue its revenue bonds and lend the proceeds thereof to the Hospital.

**Applicant:** Beebe Medical Center, Inc. (the "Hospital"), a Delaware corporation and 501(c)(3) organization exempt from federal income taxes;

**Amount of proposed issuance:** Not to exceed at any time the maximum principal amount of \$41,500,000, exclusive of original issue discount, if any;

**Location of Project:** The Project will be located at the following sites: (i) the Hospital's Main Campus facilities located on 424 Savannah Road, Lewes, Delaware ("Main Campus"); (ii) the Bookhammer Outpatient Care Center at the Beebe Health Campus and Tunnell Cancer Center, 18947 John J. Williams Highway (Rt. 24), Rehoboth Beach, DE; (iii) Clipper Square Shopping Center, 614 Mulberry St., Milton, DE; (iv) 21635 Biden Ave. (Route 404/18, west of Rt. 113), Georgetown, DE; (v) 32060 Long Neck Rd., Millsboro, DE; (vi) 28538 DuPont Blvd (Rt. 113), Millsboro, DE; (vii) Creekside Plaza, Route 26 (203 Atlantic Ave.), Millville, DE 19967; and (viii) 232 Mitchell St., Millsboro, DE.

**Owner of the Project:** The Project will be owned and operated by the Hospital.

**Nature of Project and/or Plan of Financing and Description of the Project:** The Hospital has applied to the Authority for the issuance of up to \$41,500,000 of the Authority's revenue bonds in one or more series (the "2014 Bonds") pursuant to a plan of finance, the proceeds of which, together with certain other funds of the Hospital, will finance one or more of the following undertakings (collectively, the "Project"): (i) to finance certain capital projects at various locations of the Hospital (ii) to currently refund the Authority's outstanding Variable Rate Demand Revenue Bonds (Beebe Medical Center Project) Series 2002 (the "2002 Bonds"); (iii) to current refund the Authority's outstanding Refunding Revenue Bonds (Beebe Medical Center Project) Series 2004A (the "2004A Bonds"); and (iv) to pay allowable costs of issuance of the 2014 Bonds. The proceeds of the 2002 Bonds were used to (a) finance the acquisition of a 9-acre site on State Route 24 and the construction thereon of an approximately 25,000 square foot Outpatient Care Center; (b) finance the construction of renovations and improvements at the Hospital's Main Campus, including major improvements to the utility and other building infrastructure systems and Emergency Department improvements, and the purchase of medical, technology and other equipment; and (c) pay allowable costs of issuing the 2002 Bonds. The proceeds of the 2004A Bonds were used to (a) refund other series of bonds, the proceeds of which were themselves refunding or new money bonds used to (i) finance the construction and equipping of the Clinical Building on the Hospital's Main Campus; (ii) finance the construction and equipping of a five story inpatient tower at and the renovation and expansion of the existing

levels of the Hospital; (iii) finance the development of three satellite primary health care centers for the Hospital; and (b) pay certain costs of issuance of the 2004A Bonds.

The 2014 Bonds will be special limited obligations of the Authority payable solely from payments to be made by the Hospital under certain financing agreements and from certain other sources provided therein. **THE 2014 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF DELAWARE (THE "STATE") OR OF ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, OTHER THAN THE AUTHORITY, OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWERS OF THE STATE OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, INCLUDING THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWERS.**

The Authority will at the above stated time and place hear all persons with views in favor of or opposed to the issuance of the 2014 Bonds, the Project owner, or user or the location of the Project.

A report of the hearing will be made available to the Governor of the State. Approval of the issuance of the 2014 Bonds by the State through its Governor is necessary under the Code.

Additional information concerning the proposed 2014 Bond issue may be obtained in advance of the hearing from Paul J. Pernice, Chief Financial Officer at the Hospital, (302) 645-3217 or the Authority's General Counsel, John J. Quinn, III (302) 984-6000.